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The Baldwin Locomotive Works

CONSOLIDATED

PHILADELPHIA, PA., U. S. A.



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Nineteenth Annual Report

THE BALDWIN LOCOMOTIVE WORKS

CONSOLIDATED WITH

STANDARD STEEL WORKS COMPANY

SOUTHWARK FOUNDRY AND MACHINE
COMPANY

THE MIDVALE COMPANY

AND

SUBSIDIARIES

December 31, 1929

THE BALDWIN LOCOMOTIVE WORKS

Incorporated under the Laws of the State of Pennsylvania

June 7, 1911

DIRECTORS

SAMUEL M. VAUCLAIN
WILLIAM L. AUSTIN
WILLIAM E. COREY
SYDNEY E. HUTCHINSON
SIDNEY F. TYLER
B. DAWSON COLEMAN
ARTHUR W. SEWALI
THOMAS S. GATES
FRANCIS M. WELD
ALVA C. DINKEY
FRED J. FISHER
ARTHUR W. CUTTEN
JOSEPH N. EWING
GEORGE H. HOUSTON

Rosemont, Pa.
Rosemont, Pa.
New York City
Philadelphia
Philadelphia
Lebanon, Pa.
Philadelphia
Philadelphia
New York City
Philadelphia
Detroit
Chicago
Philadelphia
Philadelphia

OFFICERS

SAMUEL M. VAUCLAIN
GEORGE H. HOUSTON
JOHN P. SYKES
ARCHIBALD H. EHLE
JACQUES L. VAUCLAIN
HARRY GLAENZER
CHARLES E. ACKER
ARTHUR L. CHURCH
CARLOS F. NOYES

Chairman of the Board
President
Vice-President
Vice-President in Charge of Sales
Vice-President and Works Manager
Vice-President in Charge of Engineering
Treasurer
Secretary
Comptroller

GENERAL COUNSEL

MORGAN, LEWIS & BOCKIUS
Philadelphia

PLANT AT BALDWIN

EDDYSTONE, PENNSYLVANIA

STANDARD STEEL WORKS COMPANY

Incorporated under the Laws of the State of Pennsylvania
December 20, 1907

DIRECTORS

SAMUEL M. VAUCLAIN	Rosemont, Pa.
WILLIAM L. AUSTIN	Rosemont, Pa.
SYDNEY E. HUTCHINSON	Philadelphia
SIDNEY F. TYLER	Philadelphia
B. DAWSON COLEMAN	Lebanon, Pa.
ARTHUR W. SEWALL	Philadelphia
THOMAS S. GATES	Philadelphia
GEORGE H. HOUSTON	Philadelphia

OFFICERS

SAMUEL M. VAUCLAIN	Chairman of the Board
GEORGE H. HOUSTON	President
JOHN P. SYKES	Vice-President
FRANK K. METZGER	Vice-President in Charge of Sales
CHARLES E. ACKER	Treasurer
ARTHUR L. CHURCH	Secretary
CARLOS F. NOYES	Comptroller

PLANT

BURNHAM, MIFFLIN COUNTY
PENNSYLVANIA

SOUTHWARK FOUNDRY AND MACHINE COMPANY

Incorporated under the Laws of the State of Pennsylvania
May 25, 1880

DIRECTORS

GEORGE H. HOUSTON	Philadelphia
SAMUEL M. VAUCLAIN	Rosemont, Pa.
FRANCIS B. BRACKEN	Philadelphia
WILLIAM DEKRAFFT	Philadelphia
WILLIAM H. HARMAN	Philadelphia
JOHN P. SYKES	Philadelphia

OFFICERS

GEORGE H. HOUSTON	Chairman of the Board
WILLIAM H. HARMAN	President
CHARLES E. ACKER	Treasurer
ARTHUR L. CHURCH	Secretary
CARLOS F. NOYES	Comptroller

PLANT

PHILADELPHIA, PENNSYLVANIA

THE MIDVALE COMPANY

Incorporated under the Laws of the State of Delaware

March 28, 1923

DIRECTORS

THOMAS S. GATES, Chairman	Philadelphia
B. DAWSON COLEMAN	Lebanon, Pa.
ALVA C. DINKEY	Philadelphia
HARRY L. FREVERT	Philadelphia
STUART HAZLEWOOD	Philadelphia
GEORGE H. HOUSTON	Philadelphia
JAMES M. MILLIKEN	Philadelphia
ARTHUR W. SEWALL	Philadelphia
JOHN P. SYKES	Philadelphia
SIDNEY F. TYLER	Philadelphia
SAMUEL M. VAUCLAIN	Rosemont, Pa.
JACQUES L. VAUCLAIN	Haverford, Pa.
JOSEPH WAYNE, JR.	Philadelphia

OFFICERS

ALVA C. DINKEY	President
HARRY L. FREVERT	Vice-President in Charge of Operations
STUART HAZLEWOOD	Vice-President in Charge of Sales
JAMES M. MILLIKEN	Secretary and Treasurer
JOS. P. COONAHAN	Purchasing Agent

PLANT

NICETOWN, PHILADELPHIA

THE BALDWIN LOCOMOTIVE WORKS

General Offices of the Company

123 South Broad Street, Philadelphia

TRANSFER AGENTS

IN PHILADELPHIA: Fidelity-Philadelphia Trust Company, 135 South Broad Street

IN NEW YORK: Bankers Trust Co., 16 Wall Street

REGISTRARS OF STOCK

IN PHILADELPHIA: The Pennsylvania Co. for Insurances on Lives and Granting Annuities, 15th and Chestnut Streets

IN NEW YORK: Guaranty Trust Company of New York, 140 Broadway

REPRESENTATIVES AND AGENTS

Chicago, Ill.	CHARLES RIDDELL	627 Railway Exchange
New York, N. Y.	JOSEPH F. HOERNER	120 Broadway
Portland, Ore.	A. J. BEUTER	313 American Bank Bldg.
Richmond, Va.	W. B. KEYS	512 Richmond Trust Bldg.
St. Louis, Mo.	A. S. GOBLE	1010 Pine St.
San Francisco, Cal.	LATHAM McMULLIN	2910 Russ Building
Africa (South)	THE BALDWIN LOCOMOTIVE WORKS (S. A.) LTD.	North British Building, Johannesburg
Argentina	WALLACE R. LEE	Paseo Colon 486, Buenos Aires
Australia	R. TOWNS & Co.	31 Reiby Lane, Sydney, New South Wales
"	NEWELL & Co., PTY., LTD.	189 King Street, Melbourne, Victoria
"	LESLIE & Co.	959-61 Hay Street, Perth, Western Australia
Brazil	C. F. DODSON	Rua da Alfandega 48, Rio de Janeiro
"	CORY BROS. & Co., LTD.	Bahia and Pernambuco
Central America and Northern South America	A. B. HARDIE <i>Technical Representative</i>	
Chile	CLYDE G. PINNEY	Edificio de The National City Bank of New York, Santiago

China (North)	J. F. GREIG, <i>Technical Representative</i>	Shanghai
" (South)	E. P. WILLIAMS, JR., <i>Technical Representative</i>	Hongkong
"	ANDERSEN, MEYER & CO., LTD.	Shanghai
Colombia	VLADIMIR WELTSCHKEFF	Apartado 1659, Bogota
Cuba	BALDWIN LOCOMOTIVE WORKS OF CUBA	Corner Habana and O'Reilly Streets, Havana
European Continent (Excluding Russia and Scandinavia)	PAUL NEGRIER	42 bis Blvd. Richard-Lenoir, Paris
Great Britain	DAVIS & LLOYD	26 Victoria Street, London, S. W. 1
Hawaiian Islands	J. A. GOOD <i>Technical Representative</i>	Honolulu
" "	C. BREWER & CO., LTD.	Honolulu
India	L. BROOKE EDWARDS	5 Dalhousie Square, Calcutta
Japan	FRAZAR & CO., LTD.	Tokyo
Mexico	PAUL G. CHEATHAM	2a Capuchinas, 48, D. F. Mexico City
New Zealand	PHILIPS & PIKE, LTD.	Wellington
Peru	PEDRO MARTINTO & CO.	Apartado 146, Lima
Philippines	E. P. WILLIAMS, JR., <i>Technical Representative</i>	Manila
"	PACIFIC COMMERCIAL CO.	Manila
Porto Rico	R. CARRION	Bank of Nova Scotia Bldg., San Juan
Portugal	E. PINTO BASTO & CO., LTD.	64 Caes do Sodre, Lisbon
Scandinavia	OLAV BELSHEIM	Toldbogaden No. 8, Oslo, Norway
Venezuela	T. D. DREW-BEAR	Apartado 346, Maracaibo

To the Stockholders of The Baldwin Locomotive Works

The President submits his report of the business of the Company for the fiscal year ended December 31, 1929, presenting:

Summary of Operations for past years, page 11.

Consolidated Statements of Profit and Loss and Surplus for the year 1929, page 12, and Consolidated Balance Sheet as of December 31, 1929, page 13. These statements include the locomotive business and that of your Company's wholly owned subsidiaries, Standard Steel Works Company and Southwark Foundry and Machine Company; also that of the The Midvale Company of which your Company owns 106,222 shares of the Capital Stock out of 200,000 shares outstanding.

The reports of Public Accountants, pages 14 and 15.

The results of operations for the year just ended were satisfactory in all lines of business except locomotives, in which they were substantially more favorable than for the previous year. The volume of business on hand at the beginning of 1930 is greater than for some years past.

During the past year the 200,000 shares of \$100 par value Common Stock of your Company previously outstanding were exchanged for 800,000 shares of Common

Stock without par value. An additional 43,000 shares of this new Common Stock were issued in exchange for all of the Preferred and Common Stock of Southwark Foundry and Machine Company, engaged in the production of heavy and special machinery and equipment. This Company has been located for many years at Fourth Street and Washington Avenue, Philadelphia. Plans have been completed for the removal of all of its activities to space available in the Eddystone plant, where it will continue to be operated as a separate business. It is expected that these removal activities will be completed during 1930. The present site of the Southwark plant is now being offered for sale.

Subsequent to the acquisition of Southwark Foundry and Machine Company, the Baldwin-Southwark Corporation was organized. The holdings of your Company in Southwark Foundry and Machine Company were exchanged for 53,750 shares of the Capital Stock of Baldwin-Southwark Corporation which is all of the issued and outstanding stock of this Company. Southwark operations will be carried on in the name of Baldwin-Southwark Corporation as soon as they are removed to Eddystone.

Your Company also acquired during the year just closed 100,000 shares of the Common Capital Stock of General Steel Castings Corporation, which later acquired the plant and business of the Commonwealth Steel Company at Granite City, Illinois, and is now erecting a large steel foundry adjacent to the locomotive plant at Eddystone. General Steel Castings Corporation is engaging in the production of steel castings for locomotives and cars and will provide your Company with an adequate source of supply for its steel castings requirements in the future.

Early in the past year your Company acquired, for the sum of \$537,500., 3500 shares, or all of the Class A Preferred Capital Stock and 22,500 shares, or 45%, of the Common Capital Stock, of the George D. Whitcomb Company engaged in the production of industrial locomotives. The plant of this Company is located at Rochelle, Illinois.

Settlement has been effected with the Treasury Department of all Federal Tax questions through the year 1927. These matters have been under discussion with the Federal Tax authorities for some years and the settlement effected resulted in a payment to your Company by the Treasury Department of \$2,129,006.53.

The completion of the plant at Eddystone, and the acquisition of your Company's holdings in the Capital Stock of General Steel Castings Corporation have somewhat depleted its working capital. In order to replace this working capital, authority is being asked of the Stockholders to incur indebtedness to a maximum of \$15,000,000. in addition to the outstanding funded debt.

Respectfully submitted,

GEORGE H. HOUSTON,
President.

Submitted to the Stockholders by direction of the Board of Directors.

SAMUEL M. VAUCLAIN,
Chairman.

THE BALDWIN LOCOMOTIVE WORKS

Summary of Operations, July 1, 1911—December 31, 1929

Year	Gross Sales	Profit	Reserves, Etc.	Dividend	Surplus For Year	Adjustments	Surplus
1911 (6 mos.)	\$14,589,645.26	\$1,671,419.32	.....	\$900,000.00	\$771,419.32	.....	\$771,419.32
1912	28,924,335.16	3,698,571.44	.....	1,800,000.00	1,898,571.44	.....	2,669,990.76
1913	37,630,969.21	4,017,800.33	.....	1,800,000.00	2,217,800.33	.....	4,887,791.09
1914	13,616,163.36	365,229.92	\$15,000.00	1,800,000.00	1,449,770.08*	.....	3,438,021.01
1915	22,083,011.06	2,867,816.17	40,000.00	1,400,000.00	1,427,816.17	.....	4,865,837.18
1916	59,219,057.99	9,444,641.91	3,960,854.87	1,400,000.00	4,083,787.04	.....	8,949,624.22
1917	98,263,865.33	11,193,840.66	2,888,118.36	1,400,000.00	6,905,722.30	\$15,800,000.00	55,346.52
1918	123,179,251.99	18,262,112.05	15,009,816.51	1,400,000.00	1,852,295.54	.....	1,907,642.06
1919	84,307,776.72	8,871,243.30	3,095,000.00	2,100,000.00	3,676,243.30	970,527.60	6,554,412.96
1920	73,542,666.49	8,407,269.75	3,978,751.03	2,800,000.00	1,628,518.72	2,830,505.69	11,013,437.37
1921	49,945,506.24	8,962,273.10	3,918,176.63	2,800,000.00	2,244,096.47	.....	13,257,533.84
1922	33,087,258.62	6,765,514.43	1,558,995.38	2,800,000.00	2,406,519.05	3,266,725.00	18,930,777.89
1923	102,762,075.28	11,931,521.93	8,215,057.62	2,800,000.00	916,464.31	.....	19,847,242.20
1924	26,080,352.27	1,920,026.77	600,000.00	2,800,000.00	1,320,026.77	2,800,000.00†	18,367,268.97
1925	27,876,064.14	196,563.95	.....	2,800,000.00†	196,563.95	2,800,000.00†	15,763,832.92
1926	47,891,668.91	6,492,422.39	608,515.42	2,800,000.00†	5,883,906.97	2,800,000.00†	18,847,739.89
1927	32,901,143.07	3,705,446.70	1,263,246.87	2,800,000.00†	2,442,199.83	5,437,881.01§	15,852,058.71
1928	22,531,349.44	932,210.96	600,000.00	2,800,000.00†	332,210.96	3,074,377.08||	13,109,892.59
1929 ^o	42,796,587.76	4,651,920.01	2,351,457.18 ^ø	2,837,629.11†	2,300,462.83	258,420.22	23,431,001.11
	\$941,228,768.31	\$114,357,845.09		\$42,037,629.11			

* Deficit

† From Reserves

‡ For Dividends Subsequent Year

§ Dividends 1928 and Accumulated Depreciation

|| " " " "

° Consolidated

ø Depreciation and Midvale minority equity

THE BALDWIN LOCOMOTIVE WORKS

Consolidated Statement of Profit and Loss

For the Year Ended December 31, 1929

Sales		\$42,796,587.76
Less—Cost of Sales		38,939,182.77
Operating Profit		\$3,857,404.99
Add—Other Income:		
Dividends Received	\$176,515.22	
Deferred Profit Realized	282,215.21	
Interest and Miscellaneous	1,664,362.52	2,123,092.95
Total Operating Profit and Other Income.....		\$5,980,497.94
Deduct—Other Expenses:		
Interest	\$792,706.36	
Miscellaneous	445,371.57	1,238,077.93
Net Profit before Depreciation and In- come Tax		\$4,742,420.01
Deduct:		
Provision for Depreciation	\$1,710,000.00	
Provision for Federal Income Tax	90,500.00	1,800,500.00
Net Profit		\$2,941,920.01
Deduct:		
Equity of Minority Stockholders of The Midvale Company		641,457.18
Net Profit accrued to The Baldwin Locomotive Works		\$2,300,462.83

Consolidated Statement of Surplus

Earned Surplus at January 1, 1929	\$15,167,451.12
Capital Surplus through equity in The Midvale Company	5,328,347.79
Refund of Federal Income Taxes	1,628,106.50
	\$22,123,905.41
Deduct:	
Reserve for Contingencies	\$1,600,000.00
Other Deductions	286,526.72
	1,886,526.72
Balance of Surplus before adding Net Profit for the year 1929	\$20,237,378.69
Add:	
Net Profit for the year 1929 as above	2,300,462.83
Increase of Capital Surplus through ac- quisition of Southwark Foundry and Machine Company	893,159.59
Surplus at December 31, 1929	\$23,431,001.11

THE BALDWIN LOCOMOTIVE WORKS

CONSOLIDATED

Balance Sheet, December 31, 1929

ASSETS		LIABILITIES	
Property, Plant and Equipment....	\$70,698,863.04	FIRST MORTGAGE 5% SINKING FUND GOLD BONDS, DUE 1940 ...	\$10,000,000.00
Less—Reserve for Depreciation	16,221,851.39	CURRENT LIABILITIES:	
FIRST MORTGAGE BOND SINKING FUND	4,608,271.92	Bank Loans	\$9,000,000.00
		Accounts Payable	2,733,318.74
		Employees' Savings Accounts ..	1,233,132.51
INVESTMENTS:		RESERVES AND DEFERRED CREDITS:	
General Steel Castings Corp....	\$5,000,000.00	Interest Received in Advance..	\$305,186.71
Other Investments	1,018,688.74	Deferred Profit Pending Real- ization	413,275.99
		Reserve for Contingencies and Miscellaneous	3,049,187.93
CURRENT ASSETS:		MINORITY STOCKHOLDERS OF THE MIDVALE COMPANY:	
Cash in Banks and on Hand....	\$4,776,001.18	Capital Stock—93,778 Shares ...	\$6,833,894.02
United States Treasury Cer- tificates	1,500,000.00	Surplus—46.839%	781,994.44
Notes and other Credit Instru- ments Receivable (including Foreign Government Rail- way notes \$2,371,204.23)	5,677,186.27	CAPITAL STOCK AND SURPLUS OF THE BALDWIN LOCOMOTIVE WORKS:	
Accounts Receivable	8,673,339.27	Preferred Stock—7% Cumula- tive—Authorized and Issued —200,000 shares of \$100 each	20,000,000.00
Sundry Securities	57,891.08	COMMON STOCK:	
Inventories (at cost or market)	12,828,985.55	Authorized—2,000,000 shares of no par value	
		Issued—843,000 shares of no par value	
		Surplus as per annexed statement	\$21,075,000.00
DEFERRED CHARGES	238,615.79		23,431,001.11
			\$98,855,991.45

STOCKWELL, WILSON & LINVILL

LAND TITLE BUILDING

PHILADELPHIA

To the Stockholders of THE BALDWIN LOCOMOTIVE WORKS

We have examined the books and accounts of The Baldwin Locomotive Works and its wholly owned subsidiaries, Standard Steel Works Company and Southwark Foundry and Machine Company, for the year ended December 31, 1929.

Charges to plant account during the year represent actual additions and extensions. We inspected and counted the securities, cash and notes on hand and obtained confirmation of bank balances and securities held by banks. Raw materials and supplies on hand were valued at the lower of cost or market on the basis of physical inventories certified to us by responsible officials, and finished stock and work in progress under sales contracts were valued at cost.

We certify that, in our opinion, the accounts of the above named Companies correctly show their financial position as of December 31, 1929, and the results of their operations for the year ended that date.

The accounts of The Midvale Company and Subsidiaries have been audited by Messrs. Arthur Young and Company and we have a copy of their certified statements.

The annexed Consolidated Balance Sheet as of December 31, 1929, and Consolidated Statements of Profit and Loss and Surplus for the year have been correctly prepared from the accounts of The Baldwin Locomotive Works and its wholly owned subsidiaries, as certified by us, and from the statements of The Midvale Company and Subsidiaries, as certified by Messrs. Arthur Young and Company.

STOCKWELL, WILSON & LINVILL

Certified Public Accountants

February 10, 1930.

ARTHUR YOUNG AND COMPANY

82 BEAVER STREET

NEW YORK CITY

To the Stockholders of THE BALDWIN LOCOMOTIVE WORKS

We have examined the books of The Midvale Company and Subsidiaries for the year ended December 31, 1929, and have prepared therefrom and have certified to the Consolidated Balance Sheet as at December 31, 1929, and the Consolidated Statement of Profit and Loss for the year ended that date, which statements, in our opinion, have been correctly spread in the annexed consolidated accounts of The Baldwin Locomotive Works as at December 31, 1929.

ARTHUR YOUNG AND COMPANY

New York, February 10, 1930.



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